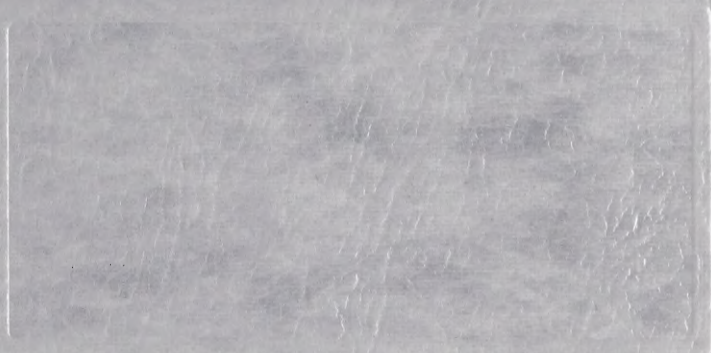


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FINANCIAL ASSISTANCE
TO BUSINESS

by

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and

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SQUARE ONE MANAGEMENT LTD.

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Advisory Council on Voluntary Action and funded by
the Department of the Secretary of State. The text
reflects the views of the author and not necessarily
those of the Advisory Council or of the Department.

Assistance to Community
Groups Programme
Secretary of State
Ottawa K1A 0M5

February, 1978

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INTRODUCTION

Our Mandate and Methodology

In May of 1976, Square One Management Ltd. was asked by the Executive Director of the National Advisory Council on Voluntary Action to undertake a quick review of assistance provided to Canadian business by federal departments and agencies. We were asked to limit ourselves to existing material, and not to undertake surveys or original research.

Accordingly, we were in direct contact only with officials in the Department of Finance and the Department of Industry, Trade and Commerce. The material which follows relies upon the accuracy of the 1976-77 Estimates (the Blue Book); Federal Services for Business, published by Information Canada; and Industrial Assistance Programs in Canada, 1976, published by CCH Canadian Limited.

The reader should note that there is no central clearing house for information regarding the various forms and amounts of financial assistance provided by federal departments and agencies to the Canadian business community. To our knowledge, the federal government does not itself know the full extent of its assistance to Canadian business, or the variety of forms which that assistance takes. The point of this comment is to note that in order to obtain completely reliable figures, a detailed survey of all federal departments and agencies would have to be undertaken. While we believe the following information to be accurate, we remind the reader of the conditions under which this report was produced; namely, limited time using secondary sources only.

The reader should note that the figures in the report are for 1975-76 fiscal year. The total figures would, of course, vary from year to year as programs are terminated and commenced, but for the purposes of this report, only the one fiscal year is considered.

The Scope of This Report

The main focus of this report is on direct financial assistance to the Canadian business community in the form of: (1) grants; (2) contributions; and (3) loans. A few comments are also made regarding indirect assistance: (1) special projects; (2) the government's "make or buy" policy; and (3) assistance provided to the Canadian business community by certain tax measures.

The figures in this report do not include the operating costs (salaries, rent and overhead) of the various government programs which are listed in this report. It is not possible to obtain accurate figures regarding these costs, other than by doing a systematic survey of each program.

However, it should be noted that the operating costs are substantial. The actual overhead costs of each program vary widely in both absolute and relative dollars. We have been told that the operating cost per thousand dollars of grant ranges from \$4 to over one hundred times that amount. Two separate calculations of the total operating cost of the programs which provide grants and contributions to Canadian business are set out below. In our judgment, the actual figure is likely between the two:

A. Assuming \$14 of overhead per \$1,000 of grant	-- \$ 20,568,000
B. Assuming \$30 of overhead per \$1,000 of grant	-- \$ 44,074,000

It should also be noted that the Technical Information Services of the Canadian Institute for Scientific and Technical Information (CISTI) is not included in the calculations of this report. The reason for this exclusion is that the TIS program--while a program of support to Canadian business--is a program of indirect support. It provides manpower and research results, not cash in the form of grants, contributions or loans. In the 1975-76 fiscal year the budget of TIS was approximately \$10,000,000.

For the same reasons, the following programs are also not included: the Economics Program (\$4,529,000) and the Small Farm Development-Adjustment Program (\$3,599,000) of the Department of Agriculture; and the Management Counselling Program (\$669,000), the Management Training Program (\$385,000), and the Information Services Program (\$563,000) of the Federal Business Development Bank.

A further aspect of government spending which has not been considered is the practice of tying certain forms of external bilateral aid to developing countries to procurement of goods and services from Canadian corporations. Up until 1975, 80% of Canadian bilateral aid was so tied. The value of Canadian bilateral aid in 1974-75 was \$339,000,000. While the recently published Strategy for International Development Cooperation 1975-1980 indicates that the government will immediately untie much of its bilateral aid, the precise nature of that commitment is not spelled out.

Finally, we would caution our readers to make careful use of the information contained in this report. While it is clear that the amount of money provided to Canadian business by the federal government is significant, the judgment as to whether the present amount is too much or too little is one which depends upon a whole host of factors, not the least important of which is one's understanding of the nature and purpose of human life, and the role of government on the one hand, and private interests on the other.

SECTION I

THE PRESENT SITUATION

Summary

Our research shows that thirteen federal departments provide direct financial assistance to Canadian business in the form of grants, contributions or loans. Of these, six provide contributions and/or grants and loans; six provide grants or contributions only; and one provides loans only.

All of the above departments provide indirect assistance to Canadian business, if only in the form of the costs of administering the direct aid programs. Although our research was not able, by its nature, to uncover figures for the bulk of the indirect assistance offered, two types--indirect grants and special projects--have been identified and included.

Table 1 shows the distribution of these five kinds of direct and indirect assistance among the fifteen departments involved.

We were able to identify 76 programs through which the 13 departments provide grants and contributions, and 14 programs through which the seven departments provide loans.

Table 2 sets out the estimated value of grants, contributions, loans, indirect grants and special projects, made to Canadian business by the 15 contributing departments of the federal government in the 1975-76 fiscal year.

Table 1

<u>Department</u>	<u>Grants</u>	<u>Contri- butions</u>	<u>Loans</u>	<u>Indirect Grants</u>	<u>Special Projects</u>
Agriculture	xx	xx	xx		
Energy, Mines and Resources	xx				
Environment	xx	xx	xx		
External Affairs		xx			
Finance				xx	
Indian Affairs & Northern Dev.	xx	xx		xx	xx
Industry, Trade and Commerce	xx	xx	xx		
Manpower and Immigration		xx			
National Defence		xx			
Public Works	xx		xx		
Regional Economic Expansion		xx	xx		xx
Science and Technology		xx			xx
Secretary of State			xx		
Transport		xx	xx		
Urban Affairs				xx	

Distribution of Kinds of AssistanceTable 2

	<u>Grants</u>	<u>Contri- butions</u>	<u>Loans</u>	<u>Indirect Grants</u>	<u>Special Projects</u>
1975-76 Fiscal year - All departments	\$12,381,500	\$1,456,764,400	\$900,937,000	\$10,635,000	\$31,462,000

Value of Assistance by 15 Departments

Grants and Contributions

Table 3 shows the amount of money given in grants and contributions to Canadian business by the 12 departments which make such direct cash payments. The difference between a grant and a contribution is that grants are outright gifts which can be used at the discretion of those who receive them, whereas contributions are given for set purposes and are subject to audit by federal officials.

Table 3

<u>Department</u>	<u>Grants</u>	<u>Contributions</u>	<u>Total</u>
Agriculture	\$ 3,100,000	\$ 407,806,400	
Energy, Mines & Res.	239,000		
Environment	2,517,000	45,332,000	
External Affairs		200,000	
Indian Affairs & Northern Devel.	3,085,500	9,047,000	
Industry, Trade & Commerce	3,260,000	417,203,000	
Manpower and Immigration		36,720,000	
National Defence		1,650,000	
Public Works	180,000		
Regional Economic Expansion		197,708,000	
Science & Technology		14,180,000	
Transport		326,918,000	
Totals	\$12,381,500	\$1,456,764,400	
			\$ 1,469,145,900

Amount of Federal Grant and Contribution Programs

Loans

Table 4 shows the amount of money provided in loans to Canadian business by the seven departments which provide loans. It should be noted that the vast bulk of the money loaned to Canadian business is eventually repaid. Therefore, the deemed value to Canadian business of these loans is only a small percentage of the total value of the loans made. The actual cost to the government in making loans includes the following: the operating costs of the loan program; the costs of the loans forgiven; the cost of uncollectable loans; the difference between the interest rate (if any) at which the government loans money under its various programs, and the interest rate the government could collect on the open market. In our judgment, the cost to the government of its loans program is somewhere in the order of 12% of the money loaned, which would be \$108,120,000.

Table 4

<u>Department</u>	<u>Amount</u>
Agriculture	\$ 385,300,000
Environment	3,150,000
Industry, Trade and Commerce	454,054,000
Public Works	2,670,000
Regional Economic Expansion	46,838,000
Secretary of State	3,425,000
Transport	5,500,000
Total	\$ 900,937,000

Amount of Money Involved in Federal Loan Programs

Special Projects

Some federal departments provide indirect assistance to Canadian business by undertaking special projects--usually construction of facilities--which are of benefit at least one sector of the Canadian business community. For example, the Department of Regional Economic Expansion funds capital expenditures by the Cape Breton Development Corporation for rehabilitation and development of its coal and railway operations.

The total value of such special projects in the 1975-76 fiscal year is estimated to be \$31,462,000.

"Make or Buy"

Recently, the federal government has instituted a policy of purchasing a greater percentage of its research needs from the private sector, rather than engaging in in-house research. This is a policy of "buying" rather than "making" the research it requires. This policy was undertaken as a direct stimulant to research and development within the Canadian business community. For example, in 1969-70, the federal government contracted 4.4% of its research and development for a value of \$10.6 million. In 1974-75, the government contracted for a total of 12.9% of its research and development, for a total of \$49.1 million.

Income Tax Incentives

Special incentives under the Income Tax Act to assist Canadian manufacturing research and development are as old as confederation. However, in the last few years, such measures have gained increased attention by the Department of Finance. At the present time, the following incentives are provided through the Income Tax Act and its regulations:

1. Section 37 Income Tax Act: Investment in research and development machinery and equipment allows 100% write-off in year money is spent. Estimated value: \$20,000,000.

2. Class 29 Tax Regulations: Investment in machinery and equipment in manufacturing and processing allows 2 year write-off. Estimated value: \$250,000,000.

3. Section 125.1 Income Tax Act: To increase profits and therefore investment in manufacturing and processing, 40% tax rate (down 20% from 1972). Estimated value: \$350,000,000.

4. Section 127(5) Income Tax Act: 5% investment tax credit on purchase of machinery and equipment. Estimated value: \$200,000,000.

5. Federal Sales Tax: To increase investment in machinery, equipment, for manufacturing production and research and development, equipment not subject to whole or part of federal sales tax:

<u>Tax reduction</u>	<u>Category of Expenditure</u>	<u>Estimated Value</u>
12%	Research and Development	10 million
12%	Manufacturing & Production	400 million
5%	Construction Equipment	40 million
5%	Construction Materials	450 million
12%	Clothing and Footwear	280 million
12%	Transportation Equipment	100 million
		<hr/>
		1,280 million

Final Comment

Given the above, it is our estimate the total direct and indirect federal support for the Canadian business community amounts to a figure in the order of \$3,155,000,000.

SECTION II

DEPARTMENTAL PROGRAMS

In the following listing of programs by departments the estimated dollar amount of the program for the 1975-76 fiscal year is given at the right, followed by one of these four symbols to indicate the kind of assistance represented:

G -- Grant
C -- Contribution
* -- Loan
InG -- Indirect Grant
-- Special Project

AGRICULTUREA. Production and Marketing Program

Objective: To assist agricultural producer in realizing from the market a fair return for management capital and labour

1. Farm Income Maintenance Program

- | | | |
|---|-------------|---|
| a) Estimated amount required to recoup the Agricultural Commodities Stabilization Account to cover the net operating loss of the Agricultural Stabilization Board | 315,600,000 | C |
| b) Payments to processors in respect of consumer subsidies on skim milk powder | 16,320,000 | C |
| c) Contributions to the Provinces under the Crop Insurance Act | 49,000,000 | C |
| d) Compensation in accordance with the terms of the Pesticide Residue Compensation Act for losses occasioned to a farmer by reason of pesticide residue | 5,000 | C |
| e) Payments to farmers, in accordance with an agreement entered into with the Province of Manitoba, in respect of a joint assistance program in the purchase of hay, processed feed and feed grain and the transportation of hay and straw required as a result of crop losses due to adverse weather | 3,375,000 | C |
| f) Payments to producers in accordance with an agreement entered into with the Province of Manitoba, in respect of a joint assistance program in the purchase and transportation of hay required as a result of crop losses due to adverse weather | 3,000 | C |
| g) Payments in accordance with agreements entered into with the Provinces of Quebec and Saskatchewan in respect of joint assistance programs to producers severely affected as a result of having been unable to seed agricultural lands due to adverse weather | 3,400 | C |
| h) Estimated amount required to recoup the Agricultural Products Board Account to cover the net operating loss recorded in the account as at March 31, 1976 | 500,000 | C |

2. Marketing Program

Contributions to producer groups towards the cost of construction of regular cold storages, frost-free, controlled-atmosphere, jacketed or other specialized potato, fruit or vegetable storages	2,000,000	C
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B. Canadian Livestock Feed Board

Objective: To ensure the availability of adequate feed grain supplies and storage space to meet the needs of livestock feeders in Eastern Canada and British Columbia and to contribute to reasonable price stability for such supplies; to assist in equalizing feed grain prices to livestock feeders in Eastern Canada and British Columbia

1. Feed Freight Equalization Program

Freight Assistance on feed grains including assistance in respect of grain storage costs

21,000,000 C

C. Farm Credit Corporation

Reports to Parliament through the Minister of Agriculture. Administers three programs through which financial assistance is made available to farmers in Canada by the federal government. The funds for lending under these programs are borrowed from the Minister of Finance.

1. Farm Credit Act

Loans to farmers to assist those who make or are about to make their living from farming to develop profitable farm businesses

379,900,000 *

2. Farm Syndicates Credit Act

Loans to farm syndicates (three or more farmers) to provide the financial means to act cooperatively in overcoming the high cost of individual ownership of machinery, buildings and installed equipment that can be shared to mutual advantage

5,400,000 *

3. Land Transfer Plan

Part of Small Farm Development Program
Grants to assist the low-income farmer to acquire additional land for the development of a viable operation, and to provide help for the small farm operator who wishes to retire or take advantage of alternative opportunities

3,100,000 G

AGRICULTURE TOTALS

GRANTS	\$ 3,100,000 G
CONTRIBUTIONS	\$ 407,806,400 C
LOANS	\$ 385,300,000 *

ENERGY, MINES AND RESOURCESA. Mineral Development Program

1. Grants in aid of mineral economic research	50,000	G
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B. Mining and Metallurgical Investigations and Research

1. Grants in aid of mineral resources research	189,000	G
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ENERGY, MINES AND RESOURCES TOTAL

GRANTS	\$	239,000
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ENVIRONMENTA. Fisheries and Marine Program

1. Advances for working capital assistance to Canadian producers of groundfish products in Newfoundland and Quebec who were affected by severe ice conditions in May and June 1974	1,500,000	*
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2. Advances to Nova Scotia haddock fishermen whose fishery was closed from February 1 to May 31, 1975, pursuant to an agreement of the International Agreement for the Northwest Atlantic Fisheries	1,650,000	*
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3. Fisheries Management and Research Program

a) Grants as compensation to commercial Atlantic salmon fishermen for loss of income resulting from closure of the fishery	1,572,000	G
--	-----------	---

b) Grants as compensation to employees who have lost employment as a result of the ban on whaling	445,000	G
---	---------	---

c) Grants to Canadian producers of frozen and canned groundfish, crabmeat and lobster meat	500,000	G
--	---------	---

d) Bridging program for the rehabilitation of the groundfish fishing industry	40,258,000	C
---	------------	---

e) Assistance for construction and equipment of (i) commercial ice-making and ice-storing facilities and (ii) commercial fish chilling facilities to improve fish quality	1,300,000	C
f) Contributions to Canadian producers of groundfish products in order to maintain fishing operations during the months January to April	2,094,000	C
g) Pacific dogfish subsidy program	180,000	C
h) Assistance to Canadian producers of canned and frozen crab and lobster, by contributing to the cold storage charges and inventory	1,500,000	C

ENVIRONMENT TOTALS

GRANTS	\$ 2,517,000	G
CONTRIBUTIONS	\$ 45,332,000	C
LOANS	\$ 3,150,000	*

EXTERNAL AFFAIRSA. Canadian International Development Agency (CIDA)

1. Incentives to Canadian private investment in developing countries	200,000	C
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EXTERNAL AFFAIRS TOTALS

CONTRIBUTIONS	\$ 200,000	C
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FINANCEA. Guaranteed Loans Program

To encourage lenders to make loans under the following three programs, the government guarantees lenders against loss incurred on loans. The current estimated claims for all three programs is --

1,500,000 InG

1. Small Business Loans

Objective: To help proprietors of small business enterprises obtain term credit for a wide range of business improvement purposes in the fields of manufacturing, transportation, construction, communications, service and wholesale or retail trade

2. Farm Improvement Loans

Objective: To provide farmers with credit for the purchase of agricultural implements, for farm improvement projects, to raise the efficiency of farming operations, to improve living conditions, to purchase additional land

3. Fisheries Improvement Loans

Objective: To increase the availability of credit to fishermen for purchase or construction of fishing vessels or equipment, major repair of a fishing vessel, purchase or construction of shore installations, development or improvement of a primary fishing enterprise

FINANCE TOTALS

INDIRECT GRANTS

\$ 1,500,000 InG

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

A. Indian and Eskimo Affairs Program

1. Indian and Eskimo Economic Development Program

Assistance to Indians, Indian Bands and Eskimos in creating business and employment opportunities in a variety of fields including service industries, secondary industry, resource utilization and land development including mineral resources on Indian Reserves

a) Major Capital Projects

Tourist Complex--White Bear Park, Sask.	252,000 #
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Resort Complex--Last Mountain Lake, Sask.	462,000 #
---	-----------

b) Grants to fairs, other organizations and individuals to promote agriculture, handicraft and economic enterprises generally	2,983,000 G
---	-------------

c) Contributions to provincial governments, Indian Associations and other authorities and groups re Indian and Eskimo Economic Development	8,131,000 C.
--	--------------

d) Contributions to Band Councils to assist in defraying the expenses of the Band Economic Development Committees	601,000 C
---	-----------

e) Excess expenditures of the Indian Arts and Crafts Central Marketing Service	485,000 InG
--	-------------

B. Northern Affairs Program

1. Incentive Programs North of 60

To aid both companies and individuals in exploration and development activities in the Yukon and N.W.T.

Grants to prospectors	70,000 G
-----------------------	----------

Grants to assist in the operation of Prospectors' Training Courses and the maintenance of permanent offices for the purposes of educating and assisting all persons interested in searching for mineral deposits	32,500 G
--	----------

2. Territorial and Social Development

Contribution to Eskimos for the purpose of furthering economic development	300,000 C
--	-----------

Contribution to Eskimos towards acquisition of boats for commercial fishing or resource harvesting	15,000 C
--	----------

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT TOTALS

GRANTS	\$ 3,085,500	G
CONTRIBUTIONS	\$ 9,047,000	C
INDIRECT GRANTS	\$ 485,000	InG
SPECIAL PROJECTS	\$ 714,000	#

INDUSTRY, TRADE AND COMMERCE

A. Trade-Industrial Program

Objective: To achieve efficient and sustained growth in the production and trade of Canadian goods and services and to assist Canadian industries to adjust to changes in the domestic and external economic environment.

1. Industry Development

a) General Incentives Program

Contributions to industry for the expansion of scientific research and development in Canada (replaces Industrial Research and Development Incentives Act--IRDIA)

27,000,000 C

b) Industrial Research Institutes Program (IRIP)

Grants to universities, provincial research organizations and industrial associations to assist in the establishment and maintenance of centres of advanced technology in specific fields, industrial research associations, and industrial research institutes

2,260,000 G

c) Program to Enhance Productivity (PEP)

Contributions to assist manufacturing and processing industries in undertaking productivity feasibility studies

500,000 C

d) Grants to the Canadian food industry scholarship fund to assist the up-grading of technological capability in the food industry

15,000 G

e) Grants, scholarships and bursaries to promote the establishment, growth and efficiency of manufacturing and processing industries in Canada

253,000 G

f) Grants and fellowships to advance the management capabilities and practices of Canadian industry

435,000 G

g) Contributions to advance the management capabilities and practices of Canadian industry

200,000 C

h) Industrial Design Assistance Program (IDAP)

To assist Canadian Manufacturing industry in financing the cost of industrial design projects

400,000 C

i) Design Program

Grants, scholarships, bursaries and awards to promote industrial design

550,000 G

Contributions to promote book design and conduct a national book design competition

50,000 C

- j) Program for the Advancement of Industrial Technology (PAIT)
 Contributions to advance the technological capability of Canadian manufacturing industry by supporting selected civil (non-defence) development projects 26,900,000 C
- k) General Adjustment Assistance Program (GAAP)
 To assist manufacturers and those servicing manufacturers to take advantage of new opportunities for the production of goods that will face significant international trade competition--contributions 200,000 C
- l) Contributions to provide for the establishment of Development and Productivity Centres for the benefit of the Canadian textiles and clothing industries 160,000 C
- m) Defence Industry Productivity Program (DIP)
 To develop and sustain the technological capability of Canadian defence industry for the purpose of defence export sales or civil export sales arising from that capability 39,000,000 C
- n) Shipbuilding Industry Assistance Program
 Capital subsidies for the construction of commercial and fishing vessels, and to provide assistance to the shipbuilding industry 58,000,000 C
- o) Footwear and Tanning Industries Adjustment Program
 Contributions to assist firms in the footwear and tanning industries to enable them to effectively meet international competition 1,175,000 C
- p) Fashion Design Assistance Program (FDAP)
 Contributions towards operating costs of the Canadian Colour and Fashion Trend Service Corporation whose goal will be to accumulate and disburse national and international colour and fashion information to firms in the clothing, leather and allied industries, to improve their international competitive position 50,000 C
- q) Contributions towards the operating cost of the Montreal International Book Fair Inc. 350,000 C
- r) Contribution to the Canadian Construction Information Corporation 530,000 C
2. International Trade Development
- a) Program for Export Market Development (PEMD)
 Contributions to develop and sustain exports of Canadian goods and services: by increasing the participation of Canadian companies in capital projects abroad; by supporting work to identify and define market opportunities; by supporting work to adjust marketing methods to exploit identified opportunities; by stimulating the interest of foreign buyers in Canadian goods and services; by increasing the participation of Canadian companies in trade fairs abroad and by providing export consortia assistance 3,965,000 C

- | | |
|--|-------------|
| b) Contributions to Canadian companies and organizations for the purpose of expanding the total market for Canadian agricultural products other than grains and oilseeds | 1,005,000 C |
|--|-------------|

3. Loans Programs

- | | |
|---|--------------|
| a) Advances, to assist Canadian defence industry with plant modernization, such advances to be recovered on sale of the equipment to defence industry | 8,000,000 * |
| b) Loans under the Footwear and Tanning Industries Adjustment Program to assist persons in the industry to establish or restructure their operations in order to meet international competition | 4,000,000 * |
| c) Loans to The de Havilland Aircraft of Canada Limited for inventory financing and production tooling costs of the DHC-7 aircraft | 2,500,000 * |
| d) Payments for the purchase of shares and notes of capital stock and notes of Canadair Limited | 38,150,000 * |

B. Grains and Oilseeds Program

1. Marketing Program

Study and development of more effective and economic methods for moving, storing, processing and selling Canadian grains and oilseeds; development and administration of programs for preparing production guidelines; establishment of initial payments for Canadian Wheat Board grains, provision of marketing and industrial development assistance; and participation in the work of international and domestic organizations concerning grains and oilseeds

- | | |
|--|--------------|
| a) <u>Grains and Oilseeds Marketing Incentives Program (GOMI)</u>
Assistance to Canadian companies and organizations in expanding the total effective market for Canadian grains and oilseeds by supporting selected projects | 816,000 C |
| b) Payments to millers in Western Canada to equalize freight "stop-off" charges between Eastern and Western Canada on grain processed into flour for export | 202,000 C |
| c) Contribution to the POS Pilot Plant Corporation | 1,400,000 C |
| d) Contribution to the Canadian Wheat Board to cover carrying charges on reserve stocks of feed grain | 4,200,000 C |
| e) Payments to the Canadian Wheat Board for the purchase of covered grain hopper cars to facilitate the movement of Canadian grain exports | 54,600,000 C |

2. Grains Payments Program

Payments to the Canadian Wheat Board of interest on cash advances on farm stored grain made to producers in Western Canada; reimbursement to the Canadian Wheat Board when grain producers default on repayment of cash advances; reimbursements for deficits incurred on the Canadian Wheat Board pool accounts; and reimbursement to wheat producers for the difference between the domestic selling price of wheat and a higher world market price

a) Payment in connection with the Prairie Grain Advance Payments Act	1,500,000	C
b) Payments in connection with the Two-Price Wheat Act	195,000,000	C

C. Federal Business Development Bank (a Crown Corporation)

To provide medium and long-term financing to companies unable to borrow reasonably elsewhere; to enable small companies to improve productivity and profitability

1. Financial Services

Loans for establishment, modernization, expansion, or other business purposes (9,461 loans)	401,404,000	*
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INDUSTRY, TRADE AND COMMERCE TOTALS

GRANTS	\$ 3,260,000	G
CONTRIBUTIONS	\$ 417,203,000	C
LOANS	\$ 454,054,000	*

MANPOWER AND IMMIGRATIONA. Development and Utilization of Manpower Program1. Canada Manpower Industrial Training Program

Provides incentives to Canadian business and industry for the expansion and improvement of employee training programs to increase productivity and reduce unemployment

Payments to employers under this program

36,720,000 C

MANPOWER AND IMMIGRATION TOTALS

CONTRIBUTIONS

\$ 36,720,000 C

NATIONAL DEFENCEA. Defence Services Program1. Industrial Research Contributions

To foster defence research in Canadian industry by supporting selected applied research programs

1,650,000 C

NATIONAL DEFENCE TOTALS

CONTRIBUTIONS

\$ 1,650,000 C

PUBLIC WORKSA. Marine Program1. Industry Support Program

The construction, improvement and maintenance of marine structures, the planning and establishment of channels, wharves and harbours to facilitate the transportation of passengers and bulk and general cargo

- a) Grant - Dry Dock Subsidy to Canadian Vickers,
Montreal

180,000 G

2. Loans Program

Loans to the Sydney Steel Corporation for the construction of wharf facilities at Sydney, Nova Scotia

2,670,000 *

PUBLIC WORKS TOTALS

GRANTS

\$ 180,000 G

LOANS

\$ 2,670,000 *

REGIONAL ECONOMIC EXPANSIONA. Department

- | | |
|--|---------------|
| 1. Loans for the development of community and industrial infrastructure | 39,838,000 * |
| 2. <u>Industrial Incentives Program</u> | |
| Improvement of employment opportunities by inducements to the establishment, expansion and modernization of appropriate plants through financial assistance for the creation of continuing productive employment, under the authority of the Area Development Incentives Act (ADIA) and the Regional Development Incentives Act (RDIA) | |
| | 78,254,000 C |
| 3. <u>Regional Economic Expansion Programs</u> | |
| Assistance under ARDA, FRED, PFRA, Special Areas and related programs: for the provision of incremental social capital to facilitate economic and socio-economic development in areas and regions requiring special measures; the improvement of access to employment opportunities through socio-economic development programs, and improvement and rationalization of resource utilization | |
| | 119,454,000 C |
- B. Cape Breton Development Corporation
- | | |
|--|--------------|
| 1. Payment to the Cape Breton Development Corporation for capital expenditures, rehabilitating and developing its coal and railway operations | 18,189,000 # |
| 2. Payment to the Cape Breton Development Corporation to be applied in payment of the losses incurred in the operation and maintenance of the coal mining and related works and undertakings | 5,512,000 # |
| 3. Loans to the Cape Breton Development Corporation for the purpose of developing the Prince Coal Mine | 7,000,000 * |

REGIONAL ECONOMIC EXPANSION TOTALS

CONTRIBUTIONS	\$ 197,708,000 C
SPECIAL PROJECTS	\$ 23,701,000 #
LOANS	\$ 46,838,000 *

SCIENCE AND TECHNOLOGYA. NATIONAL RESEARCH COUNCIL OF CANADA1. Engineering and Natural Sciences Research Programa) Research in Direct Support of Industrial Innovation and Development

Performance and promotion of exploratory and applied research in selected areas for the advancement of technology required for Canadian industrial development; through effective methods of technology transfer, financial assistance and selected co-operative projects on processes, systems, materials and products, to strengthen the research, development and innovative capacity of industry in Canada

Major capital project - Advanced Teleoperator System

7,047,000 #

Contributions - Assistance toward research in industry

14,180,000 C

SCIENCE AND TECHNOLOGY TOTALS

CONTRIBUTIONS

\$ 14,180,000 C

SPECIAL PROJECTS

\$ 7,047,000 #

SECRETARY OF STATEA. Canadian Film Development Corporation - Crown Corporation

Created to foster and promote the development of a feature film industry in Canada.

1. Investments and Loans

Financial outlays of the Corporation, including assistance to Canadian distributors for the promotion of Canadian feature films, on which tangible financial returns are expected.

Investments and loans, less expected return

3,425,000 *

SECRETARY OF STATE TOTALS

LOANS

\$ 3,425,000 *

TRANSPORTA. Surface Transportation Program1. Highways and Motor Carriers

Payments to for-hire highway transportation companies, non-federally regulated railway companies and water transportation companies whose tariffs are differentially related to railway tariffs for revenues foregone as a result of the 1973 and 1974 rail rate freeze

2,000,000 C

B. Canadian Transport Commission1. Maritime Freight Rates Act

Payment to the Railway Companies operating in the select territory designated by the Act of the difference occurring on account of the application of the Act between the tariff tolls and normal tolls

a) Canada and Gulf Terminal Railway	100,000	C
b) Canadian Pacific Railway Company	1,150,000	C
c) Dominion Atlantic Railway	430,000	C
d) Devco Railway (Cumberland Railway Company)	1,090,000	C
e) Grand Falls Central Railway Company	300,000	C
f) Canadian Pacific Express Company Limited	120,000	C

2. Payment of operating subsidies to Regional Air Carriers 2,000,000 C

3. Steamship subventions for Coastal Services 16,228,000 C

4. Payments to railway and transportation companies of amounts determined pursuant to the Railway Act 281,000,000 C

5. Payments to railway and trucking companies under the Atlantic Region Freight Assistance Act 22,500,000 C

C. Northern Transportation Company Limited

1. Loans to Northern Transportation Company Limited to finance the acquisition of transportation facilities to be used for the movement of goods to the Canadian North 5,500,000 *

TRANSPORT TOTALS

CONTRIBUTIONS	\$ 326,918,000	C
LOANS	\$ 5,500,000	*

URBAN AFFAIRSA. Central Mortgage and Housing Corporation1. Interest Rate Losses

To provide for losses incurred when the interest rate on National Housing Act loans is less than the interest rate required to provide for full recovery of related costs

8,450,000 InG

2. Private Lender Rental Program

To provide contributions to encourage the production through private investment of rental accommodation for families of moderate income

200,000 InG

URBAN AFFAIRS

INDIRECT GRANTS

\$ 8,650,000 InG

TOTALS OF ALL DEPARTMENTS

GRANTS	\$ 12,381,500 G
CONTRIBUTIONS	\$ 1,456,764,400 C
LOANS	\$ 900,937,000 *
INDIRECT GRANTS	\$ 10,635,000 InG
SPECIAL PROJECTS	\$ 31,462,000 #

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